

**Police Pension Fund
Board Minutes
Of
January 10, 2008**

PRESENT: Thomas M. McMahon, David M. Cituk, William Heim,
Michael A. Fizz, Steven E. Houpp, Louis R. Rizzuto (Solicitor),
Toyia Reed (HR Coordinator/Pension)

ABSENT: Ryan Hottenstein

ORDER: Meeting was called to order by Mayor, Thomas McMahon @ 10:02 A.M.

The members of the Police Pension Board would like to welcome their new member; Steven E. Houpp.

PRESENTER: **1. Roger Barilani – Wachovia Securities**
Nick Yaniello – Wachovia Securities
Re: Portfolio Performance Review

The current portfolio value is \$78 million. Mr. Barilani suggested changing the Investment Policy Statement from 50% equities/50% fixed income to 60% equities/40% fixed income; as deemed appropriate by the board not to exceed 65% equities/35% fixed. **MOTION** by Cituk/Fizz to expand the ranges of the Investment Policy Statement...**MOTION PASSED UNANIMOUSLY**

Mr. Yaniello presented the Board with information on small and mid cap managers at the last meeting. Mr. Barilani recommends Fred Alger as a small/mid cap manager. He also recommends Systematic as a mid cap value manager.

MINUTES: **MOTION** by Fizz/Heim to approve the minutes dated December 13, 2007.....**MOTION PASSED UNANIMOUSLY**

FINANCIAL REPORTS: **MOTION** by Cituk/Fizz to approve the following financial Reports ...**MOTION PASSED UNANIMOUSLY.**

Financial Report	December 2007
Statement of Transactions	December 2007

BILLS:

MOTION by Cituk/Heim to pay the following bills.....
MOTION PASSED UNANIMOUSLY.

- | | |
|-----------------------------|-------------|
| 1. Lou Rizzuto – Legal Fees | \$ 687.50 |
| 2. Milliman | \$ 3,980.40 |

PRESENTER:

2. Marrella Financial Group
Re: Russell Presentation

The goal of the Marrella Financial Group is to increase the profitability of the Police Pension Fund. In an effort to achieve that goal the Marrella Financial Group presented Mr. Jay Gephert of Russell to the board. Russell is a global firm, based in Tacoma, Washington. 75% of revenues come from pension consulting. 62% of assets are pension assets. Russell has been consulting since 1969 and multi-manager investing since 1980. There is no ownership interest in any external investment manager. The roles and responsibilities of Russell are asset class structure, manager selection and daily implementation. Approximately 98% of the board's portfolios performance can come from the board's asset allocation decisions. Approximately 2% of the board's portfolio performance can come from the managers the board selects. Russell will automatically re-balance asset class diversification to lower risk and increase profitability. Asset allocation is an important factor in managing any portfolio. More diversification improves possibility of reaching goals. Russell assumes full fiduciary responsibility for advisor selection. Russell proposed that the Police Pension Fund and the Officers & Employees Pension Fund combined the assets to receive the annual fee of 57.7 bps. The board is not ready to make any changes at this point in time.

APPLICATIONS:

MOTION by Cituk/Heim to approve the following application for retirement...**MOTION PASSED 3 to 1**

Name: Ronald J. DiBenedetto
Type: Retirement
DOH: 6/25/1979 – 12/31/2007
Amount: \$4,081.93 per Month

D.R.O.P.

APPLICATIONS: None.

REFUNDS:

None.

CORRESPONDENCE:

None.

OLD BUSINESS:**1. Calendar Year**

The recalculations have not been completed for the affected persons.

2. Board Elections

The board elections were held on January 4, 2008. The winners are:

Michael A. Fizz – Active Rep

Steven E. Houpp – Retired Rep

3. D.R.O.P. Dates

The D.R.O.P. dates have been corrected on the affected participants.

Toyia will send a letter to inform them of the amendment to their DROP exit dates.

NEW BUSINESS:

None.

ADJOURNMENT: MOTION by Heim/Fizz to adjourn @ 11:15 A.M.

Respectfully submitted: _____
HR Coordinator/Pension